

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: December 17, 2009

FROM: Office of General Counsel

SUBJ: Exception to the Maturity
Limit on Second Mortgages

ACTION REQUESTED: The NCUA Board's approval to publish a final rule regarding the 20-year maturity limit on second mortgage loans.

DATE ACTION REQUESTED: December 17, 2009.

OTHER OFFICES CONSULTED: All Regional Directors, Office of Examination and Insurance, Office of Small Credit Union Initiatives.

VIEWS OF OTHER OFFICES CONSULTED: Concurred with interim final rule. No additional intra-agency comments were sought because the draft final rule is identical to the interim final rule.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Pamela Yu, Staff Attorney, Office of General Counsel.

SUMMARY: NCUA is amending its lending rules to create a limited exception to the 20-year maturity limit on second mortgage loans. The amendment will permit federal credit unions participating in the Department of the Treasury's Making Home Affordable Program to modify a second mortgage loan, beyond 20 years, to match the term of a modified first mortgage loan.

RECOMMENDED ACTION: Recommend the Board issue the final rule.

ATTACHMENT: Final Rule.